

Date: 7/21  
 From: Jones

*D/HA - Jones  
 Comments to LHS  
 in T ASAP*

	INFO	ACTION	INITIALS
Ms. Derian	X	X	
Mr. Schneider	X	X	
Mr. Jones			
Mr. Hill			
Ms. Bova			
Mr. Brody			
Ms. Hanson			
Mr. Heilsnis			
Ms. Hanley			
Ms. Capps			
ALL			
FILE -			

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be in denying pending  
 Sales (FMS) to the armed  
 where there are serious

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 the stated policies and  
 fending governments.

COMMENTS: *I got the  
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 especially details  
 on H. R. violations and  
 business about obstruction.  
 In spite of heaviest  
 pressure from Halib &  
 Benson, L still has  
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 try to get L clearance. When  
 he doesn't at 9:00 A.M. will*

Department of State, A/GIS/IPS/SRP  
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 Exemptions b ( ) ( ) E.O. 13526 25x ( ) ( )  
 Declassify after \_\_\_\_\_  
 With concurrence of: \_\_\_\_\_  
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 IPS by P Date 12-15-16

Date: 7/19 URGENT  
 From: Same

D/HA -  
 Comments to LWB  
 in T ASAP

	INFO	ACTION	INITIALS
Ms. Derian			
Mr. Schneider			
Mr. Jones			
Mr. Hill			
Ms. Bova			
Mr. Brody			
Ms. Hanson			
Mr. Heilsnis			
Ms. Hanley			
Ms. Caops			
ALL			
FILE -			

*Return To*

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e be in denying pending  
 Sales (FMS) to the armed  
 where there are serious

COMMENTS: ARGENTINA  
PAPER:

*I recommend  
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 PLEASE - URGENT*

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Department of State, A/GIS/IPS/SRP  
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 Exemptions b ( ) ( ) E.O. 13526 25x ( ) ( )  
 Declassify after \_\_\_\_\_  
 With concurrence of:  
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 IPS by 8 Date 12-15-16

REPRODUCED AT THE NATIONAL ARCHIVES

DRAFT

~~CONFIDENTIAL~~  
~~(WITH SECRET ATTACHMENT)~~

D/HA - Jones  
Comments to LHS  
in T ASAP

TO: The Secretary

THROUGH: P - Mr. Habib  
T - Mrs. Benson

FROM: ARA - Terence A. Todman  
D/HA - Patricia M. Derian  
PM - Leslie Gelb

SUBJECT: Restriction of Arms Sales to Argentina for Human Rights Reasons

ISSUES FOR DECISION

How restrictive should we be in denying pending commercial and Foreign Military Sales (FMS) to the armed forces and police of Argentina, where there are serious abuses of human rights?

ESSENTIAL FACTORS

Section 502B of the Arms Exports Control Act expresses as United States policy the promotion and encouragement of internationally recognized human rights and fundamental freedoms. It further expresses a policy of not providing security assistance to any country engaged in a consistent pattern of gross human rights violations and directs the President to formulate and conduct security assistance programs in a manner which promotes the stated policies and avoids identifying the USG with offending governments.

Department of State, A/GIS/IPS/SRP

Change to \_\_\_\_\_

(☒ Release) (☐ Excise) (☐ Deny) (☒ Declassify)

Exemptions b ( ) ( ) E.O. 13526 25x ( ) ( )

Declassify after \_\_\_\_\_

With concurrence of: \_\_\_\_\_

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In Argentina, there is no question that human rights are being seriously violated, although there have been some recent signs suggesting some improvement. *black have been some indication*  
*and giving for a number of years* *level of violations*  
*the* *terrorism and*

Forty-five requests for approval of licenses for commercial arms exports to Argentina are pending. The most urgent of these cases is a \$15 million commercial order from Bell-~~Textron~~<sup>Boeing</sup> for helicopters, equipped with exterior gun mounts and wiring. Two of them are for executive use and the rest for Argentina's Antarctic activities. There are also two outstanding FMS cases, one for Mark-44 torpedoes and one for ammunition.

The Department has been denying FMS sales requests and commercial export licenses for all items related to internal security and is withholding 1977 FMS credits, previously authorized by Congress. FMS credits for years prior to FY 1977, however, are ~~not being used~~ <sup>available</sup> to finance military purchases. In the FY 78 security assistance bill Congress appears ready to eliminate all FMS transactions and military training grants, but allow one year's grace until September 30, 1978, before the cut-off becomes effective, thus providing some incentive to the Argentine government to improve its human rights performance.

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## US Interests in Argentina

Non-Proliferation  
Politico-Military

As the second largest country in Latin America in population, area and per capita GNP, Argentina is and will remain an important political influence in the region, and the world. ~~Its thousand miles of coast line gives Argentina a potentially important role in any future contingency involving the Southwestern Atlantic and the straits of Magellan. The U.S., however, has no military facilities in Argentina.~~

*Fixed Reading wants this out*

It Argentina has substantial uranium reserves and an ambitious nuclear power program. It has the most advanced nuclear capability of any Latin America state and the greatest potential for an autonomous fuel cycle. U.S. efforts to prevent proliferation in Brazil, and Latin America generally, depend critically on Argentina's acceptance of full-scope safeguards (which it has shown a conditional willingness to consider) and deferral of its fuel reprocessing program.

Economic - The U.S. is Argentina's largest trading partner ( we currently have a \$250 million trade surplus). U.S. banks hold \$3 billion of Argentina's debts and U.S. industry has some \$1.2 billion invested in the country. Argentina is a major food exporter and may have in its extensive continental shelf large reserves of oil. Although the country has recently suffered severe economic troubles, it is

All of these options <sup>would of course</sup> ~~presuppose that~~  
 claims be re-examined & should  
 then occur significant changes in  
 the Argentine human rights performance...

~~Significant Deterioration~~ <sup>Deterioration in human rights</sup>

Argentine human rights performance would  
~~and~~ <sup>require</sup> a review of the ~~options chosen~~  
 the policy you adopt

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a generally self-sufficient industrial and economic leader in Latin America.

### THE OPTIONS

There is general agreement that we should not sell items on the U.S. munitions list related to internal security, civil law enforcement and crowd control to Argentina or sell munitions list items of any kind to Argentine internal security organizations. There is disagreement however, whether we should deny all FMS sales and commercial export licenses for ~~other defense~~ other defense articles on the munitions list, or whether we should ban only the "lethal" equipment, and be prepared to sell non-lethal munitions list equipment.

There are three options:

1. Continue our present policy of denying sales of items related to internal security or destined for internal security organizations but permit FMS cash and commercial sales of other munitions list items for the Argentine military ~~including weapons~~ forces, ~~on a case-by-case basis.~~ *We would review this*

2. Deny all new FMS cash and commercial sales of munitions list items, suspend use of unexpended FMS credits from prior years, and deny export licenses for ~~equipment~~ under order. *Are significant exports to be allowed?*

3. Continue our present policy of denying sales of items related to or destined for internal security forces, and, in addition, deny sales of "lethal" equipment to the Argentine military forces. *FMS and Commercial* Exports of "non-lethal" items on the munitions list to these forces would be permitted. *add center about review*

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Option 1 - Current PolicyPros

-- Preserves a minimal tie with the Argentine armed forces -- a dominant institution in Argentina -- in a period of political instability.

-- Is consistent with our policy toward other countries with poor human rights' records (e.g. Korea, Iran, Phillippines)

-- Does least damage to our other interests in Argentina, particularly those involving nuclear non-proliferation.

-- Provides some incentive for the Government to improve its human rights practices before the Congressionally legislated embargo comes into effect.

Cons

-- Will be opposed by a significant number of Congressmen and by other influential groups as inconsistent with the provisions of the Security Assistance Act of 1976.

-- May encourage the Argentine Government (and others) to assume the U.S. Government's human rights policy is hortative <sup>and only</sup> and that its punitive elements can be safely ignored.



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Option 2

*Temporary ~~Embargo~~ Embargo*

Pros

-- is consistent with the spirit of the human rights provisions of security assistance legislation

-- sends an unambiguous message to the Argentine government and <sup>words: 11. Government has informed us that the consequences</sup> ~~may strengthen the hand of its moderate elements in trying to improve human rights practices.~~

-- Will probably have wide public and Congressional support.

Cons

-- Will antagonize the Government and the armed forces and seriously damage such leverage as we have, both on the important nuclear proliferation problems and on human rights.

-- Will force Argentina to look elsewhere for arms, possible including the USSR, thus complicating U.S. efforts to develop regional arms transfer controls, pursuant to the new arms transfer policy.

-- Would prematurely abandon without trial the policy option of providing positive incentives as well as sanctions to promote human rights.

Option 3 - Non-Lethal Sales

Pros

-- Generally similar to Option 1

Cons

-- Similar to Option 1, except that this option creates

*Handwritten note: We are having our support for and potential for the program here with us.*

*24166*

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a difficult definitional problem ( e.g. is a helicopter with hard points for mounting weapons a lethal item, even if the weapons themselves are not sold?)

Recommendations:

That you approve Option 1 to limit denials to internal security weaponry, ~~the policy is to recommend that the Department of Defense~~ (favored by ARA, PM and the Department of Defense. ~~the policy is to recommend that the Department of Defense~~ ~~the policy is to recommend that the Department of Defense~~)

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

ALTERNATIVELY, that you approve Option 2 to deny all FMS cash and commercial export licenses for defense articles on the Munitions List to Argentina, ~~pending a change in its human rights practices~~ (favored by D/HA and S/P)

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

ALTERNATIVELY, that you approve Option 3 to limit denials to "lethal equipment".

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

*Significant changes in the Argentine Human Rights practices would trigger a re-examination of the policy adopted.*

Clearances: PM/SAS: Winship U:DTice  
PM/MC:Robinson Legal Advisor:Michel  
S/P:RFeinberg H:CCutter  
ACDA:LMason (substance)  
~~OSD/ISA:MGenRCavazos (substance)~~  
D:SOsman  
T:SLedogar

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HA County Files 1977

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